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**KINGKEY INTELLIGENCE CULTURE HOLDINGS LIMITED**  
**京基智慧文化控股有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 550)**

**DISCLOSEABLE TRANSACTION**  
**IN RELATION TO A SUBSCRIPTION OF NEW SHARES**  
**IN THE TARGET COMPANY**

**Financial adviser to the Company**



**Diligent Capital Limited**

**THE SUBSCRIPTION**

The Board announces that after trading hours on 3 April 2023, the Target Company entered into the Subscription Agreements with the Company, the Subscriber A and the Subscriber B, pursuant to which the Target Company has conditionally agreed to allot and issue to each of the Company, the Subscriber A and the Subscriber B, and each of them has conditionally agreed to subscribe for, (i) the Subscription Shares, being 2,637,115 new Target Shares; (ii) 293,013 new Target Shares; and (iii) 293,013 new Target Shares, respectively, and the Subscription Price of the Subscription Shares shall be HK\$16,044,444.

Completion of the transactions contemplated under each of the Subscription Agreements is not inter-conditional with each other.

As at the date of this announcement, the total issued share capital of the Target Company is 2,637,115 Target Shares. Assuming that the completion of the subscription of a total of 586,026 Target Shares by the Subscriber A and the Subscriber B becoming effective and there will be no change to the total issued share capital of the Target Company between the date of this announcement and the Completion Date, the Subscription Shares represent approximately 45% of the total issued share capital of the Target Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion.

Upon Completion, the Target Company will become an associate company of the Company and the results and net assets of the Target Group will be accounted for using the equity method in the consolidated financial statements of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription are more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Completion is subject to the fulfillment (or waiver) of the Conditions Precedent and therefore the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION**

The Board announces that after trading hours on 3 April 2023, the Target Company entered into the Subscription Agreements with the Company, the Subscriber A and the Subscriber B, pursuant to which the Target Company has conditionally agreed to allot and issue to each of the Company, the Subscriber A and the Subscriber B, and each of them has conditionally agreed to subscribe for, (i) the Subscription Shares, being 2,637,115 Target Shares; (ii) 293,013 Target Shares; and (iii) 293,013 Target Shares, respectively.

### **The Subscription Agreement**

Save for the number of subscription shares to be subscribed for and the identity of the subscribers, the terms and conditions under the Subscription Agreements are identical in all material respects.

Principal terms and conditions of the Subscription Agreement entered into between the Company and the Target Company are summarised as follows:

**Date:** 3 April 2023

**Parties:** (i) the Company; and  
(ii) the Target Company.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company and its ultimate beneficial owner(s) are Independent Third Parties.

## **Subscription**

Subject to the fulfilment of the Conditions Precedent and the terms and conditions of the Subscription Agreement, the Target Company agreed to allot and issue to the Company, and the Company agreed to subscribe for, the Subscription Shares, being 2,637,115 Target Shares, at the Subscription Price.

As at the date of this announcement, the total issued share capital of the Target Company is 2,637,115 Target Shares. Assuming that the completion of the subscription of a total of 586,026 Target Shares by the Subscriber A and the Subscriber B becoming effective and there will be no change to the total issued share capital of the Target Company between the date of this announcement and the Completion Date, the Subscription Shares represent approximately 45% of the total issued share capital of the Target Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion.

The Subscription Shares, when issued and fully paid up, shall rank *pari passu* in all respects and *inter se* and with all other shares of the Target Company (including the Target Shares to be subscribed by the Subscriber A and the Subscriber B) then in issue.

## **Subscription Price**

The Subscription Price payable by the Company to the Target Company for the subscription of the Subscription Shares shall be HK\$16,044,444.

The Subscription Price was determined after arm's length negotiations between the Company and the Target Company with reference to, among other matters, an estimated unaudited net asset value of the Target Group as at 7 March 2023 of approximately RMB14,441,000 (equivalent to HK\$16,044,444) which has taken into account of (i) an unaudited net liabilities of the Target Group of approximately RMB2,234,000 as at 28 February 2023; and (ii) the subscription of new Target Shares by Aurora Healthcare US Corporation with subscription amounts of US\$1,910,462 (equivalent to approximately RMB13,072,000) and US\$526,653 (equivalent to approximately RMB3,603,000) which were completed on 3 March 2023 and 7 March 2023, respectively.

The Subscription Price will be satisfied by the Group's internal resources.

## **Conditions precedent**

The Completion shall be subject to the fulfilment of the following conditions:

- (a) the board of directors of the Target Company having passed resolutions for approving, *inter alia*, (i) the execution of the Subscription Agreement and any other agreements in connection therewith; and (ii) the transactions contemplated thereunder and all matters incidental hereto;

- (b) the Company having conducted and completed due diligence on all business, assets and liabilities, legal and financial matter in respect of the Target Company and such other matters as deemed necessary to its reasonable satisfaction;
- (c) the Company shall have complied with all the requirements under the Listing Rules in connection with the Subscription and the approval of the board of directors of the Target Company shall have been obtained;
- (d) any other necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies or such other third parties as may be required by applicable laws, rules or regulations for the Subscription shall have been obtained; and
- (e) all the warranties undertaken by the Target Company remaining true and accurate in all respects at all times up to the Completion.

If any of the above Conditions Precedent is not fulfilled on or before the Long Stop Date, the Subscription Agreement will lapse and become null and void and the parties to the Subscription Agreement will be released from all obligations and liabilities thereunder, save for the liabilities for any antecedent breaches thereof.

As at the date of this announcement, save and except for condition precedent (b) above which has yet to be satisfied, all other aforesaid conditions precedent have been fulfilled.

Completion of the transactions contemplated under each of the Subscription Agreements is not inter-conditional with each other.

## **Completion**

Subject to the fulfilment of the Conditions Precedent, the Completion shall take place on the Completion Date, at such place and at such time as the Company and the Target Company may agree, and each party to the Subscription Agreement shall perform its obligations in relation to the Completion as set out in the Subscription Agreement.

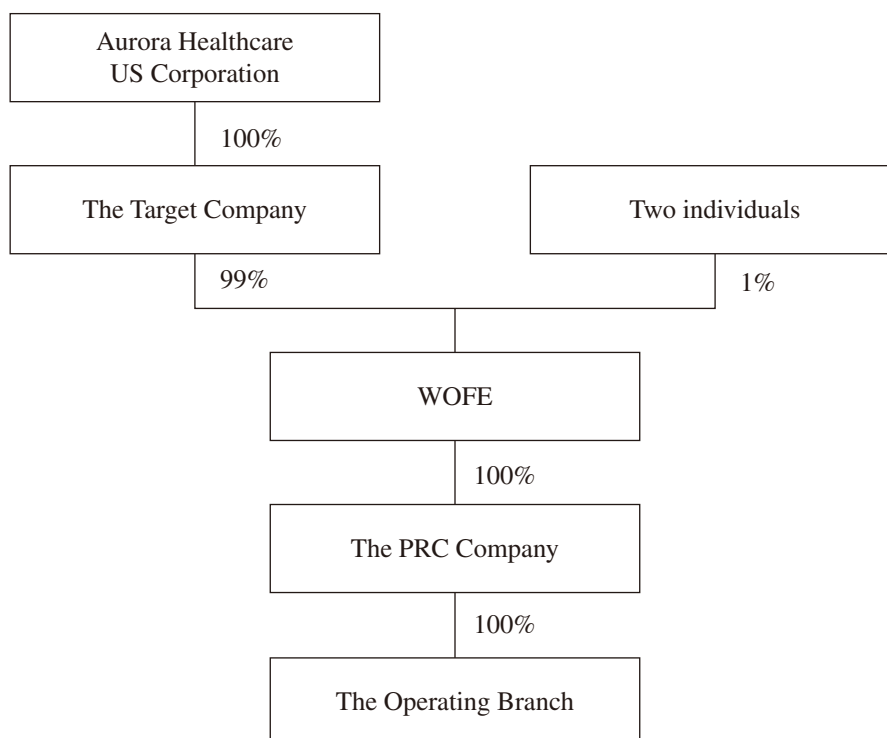
Upon Completion, the Target Company will become an associate company of the Company and the results and net assets of the Target Group will be accounted for using the equity method in the consolidated financial statements of the Company.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is an investment holding company and the Group is principally engaged in the provision of advertising services, sales of medical and health products and provision of e-commerce services.

## INFORMATION ON THE TARGET GROUP

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



### The Target Company

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

As at the date of this announcement, the Target Company is wholly owned by Aurora Healthcare US Corporation. Based on the information provided by Aurora Healthcare US Corporation, the Target Company is ultimately and beneficially owned as to 37.44% by Scott Yue-yeh Lin and 27.28% by Cheng Olivia Ho Shawn-Quei and none of the remaining shareholders of the Target Company holding more than 10% shareholding interests.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Target Company and its ultimate beneficial owners are Independent Third Parties.

### The WOFE

The PRC Company is a company established under the laws of the PRC with limited liability and is principally engaged in investment holding.

As at the date of this announcement, the WOFE is owned as to 99% by the Target Company and the remaining 1% is owned by two individuals who are Independent Third Parties.

## **The PRC Company**

The PRC Company is a company established under the laws of the PRC with limited liability and is principally engaged in investment holding.

As at the date of this announcement, the PRC Company is wholly owned by the WOFE.

## **The Operating Branch**

The Operating Branch is a company established under the laws of the PRC with limited liability and is principally engaged in the provision of medical and healthcare services through the operation of private medical centre focusing on breast health diagnosis and breast cancer treatment and other professional medical services for local patients in the PRC.

As at the date of this announcement, the Operating Branch is wholly owned by the PRC Company.

## **Financial Information of the Target Group**

The Target Group is currently at the stage of start-up and has not commenced any business. Therefore, no revenue or profit was generated by the Target Group since its incorporation.

As at 28 February 2023, the unaudited consolidated net liabilities of the Target Group was approximately RMB2,234,000.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT**

During the year 2022, the Group has been actively considering and exploring various opportunities for investment projects and to broaden the scope of investment according to the market conditions with an aim to enhance the Shareholders' value.

The Group plans to invest in new business that show ample growth potential. The Board noted that the global medical and healthcare market is huge and its growth prospects are good, especially in the PRC. There are a number of factors contributing to the rapid growth in the medical and healthcare industry in the PRC. In recent years, the PRC's healthcare system has been undergoing fundamental changes as a result of the PRC government's new healthcare reform initiative and concurrent significant expansion of financial support for the healthcare system. Under this initiative, the PRC government plans to inject enormous amount of government spending to improve accessibility and affordability of healthcare. The Directors believe that the medical diagnosis, treatment and healthcare business that the Target Group will be engaged will be operating at favorable business environment and is considered to be a high-growth business. The Subscription will enable the Group to enter into the medical and healthcare industry which the Directors believe has huge potential and good future prospect. The Directors consider that the Subscription will substantially enhance the investment portfolio of the Group.

The Target Group is currently setting up a private medical centre in the PRC focusing on breast health diagnosis and breast cancer treatment for local patients in the PRC. Based on the existing business plan, the Target Group brings together medical oncologist with various sub-specialty to provide a one-stop multi-disciplinary services, including diagnosis, cancer treatment and other professional medical services.

The Subscription represents a valuable opportunity to extend the business footprints in the medical areas which further enables the Group to increase its investment income. Having considered the above reasons, the Directors consider the Subscription is in line with the overall business direction of the Group and also concluded that the Subscription is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription are more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Completion is subject to the fulfillment (or waiver) of the Conditions Precedent and therefore the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“Business Day(s)”	any day(s) on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon
“Board”	the board of Director(s)
“Company”	Kingkey Intelligence Culture Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 550)

“Completion”	completion of the Subscription in accordance with the Subscription Agreement
“Completion Date”	a date falling within five (5) Business Days following the date on which all the Conditions Precedent are fulfilled (or such other date as the Company and the Target Company may mutually agree in writing)
“Condition(s) Precedent”	condition(s) precedent to Completion as set out in the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with the Company and any of their respective connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	2 October 2023 (or such other date as the Company and the Target Company may mutually agree in writing)
“Operating Branch”	深圳奧洛瑞綜合門診部, is a company established under the laws of the PRC with limited liability and is wholly owned by the PRC Company as at the date of this announcement
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“PRC Company”	深圳市奧瑞甄選商貿有限公司, is a company established under the laws of the PRC with limited liability and is wholly owned by the WOFE as at the date of this announcement



“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	JPlay International Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Subscriber B”	Sun Beyond International Limited, a company incorporated in the British Virgin Islands with limited liability
“Subscription”	the subscription of the Subscription Shares by the Company pursuant to the Subscription Agreement
“Subscription Agreement(s)”	the subscription agreements dated 3 April 2023 entered into between the Target Company and each of the Company, the Subscriber A and the Subscriber B in respect of (i) the Subscription Shares, being 2,637,115 new Target Shares; (ii) 293,013 new Target Shares; and (iii) 293,013 new Target Shares, respectively
“Subscription Price”	a total of HK\$16,044,444, being the subscription price payable by the Company to the Target Company for the Subscription
“Subscription Share(s)”	2,637,115 new Target Shares to be allotted and issued by the Target Company and subscribed by the Company pursuant to the Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Target Company”	Aurora Medical Technology (HK) Corp. Limited, a company incorporated in Hong Kong with limited liability
“Target Group”	the Target Company and its subsidiaries, being the WOFE, the PRC Company and the Operating Branch
“Target Shares”	shares of the Target Company
“US\$”	United States dollars, the lawful currency of United States of America

“WOFE”

奧洛瑞(深圳)醫療管理集團有限公司, a company established under the laws of the PRC with limited liability and is owned as to 99% by the Target Company as at the date of this announcement

“%”

per cent.

By Order of the Board  
**Kingkey Intelligence Culture Holdings Limited**  
**Tsang Hing Bun**  
*Executive Director*

Hong Kong, 3 April 2023

*As at the date of this announcement, the Board comprises Mr. Tsang Hing Bun as executive Director; Mr. Yiu Yu Cheung and Mr. Shiu Shu Ming as non-executive Directors; and Ms. Tang Po Lam Paulia, Mr. William Keith Jacobsen and Mr. Chan Chiu Hung, Alex, as independent non-executive Directors.*